



Frank Edelblut
Commissioner

Christine M. Brennan
Deputy Commissioner

STATE OF NEW HAMPSHIRE
DEPARTMENT OF EDUCATION
101 Pleasant Street
Concord, NH 03301
TEL. (603) 271-3495
FAX (603) 271-1953

October 1, 2018

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Education, Bureau of Student Wellness, to enter into a **sole source** grant agreement with Granite Pathways, Concord, New Hampshire (vendor code 228900), in an amount not to exceed \$50,000.00, to support those in early recovery to secure housing within a quality sober living facility, effective upon Governor and Council approval through June 30, 2019. 100% Other Funds

Funds to support this request are available in the account titled Positive Student Outcomes Fund as follows:

FY19

06-56-56-562010-19660000-102-500731 Contracts for Program Services \$50,000.00

EXPLANATION

The Department is requesting a **sole source** grant agreement consistent with the wishes of the grantor. Safe Harbor Recovery Center, a program of Granite Pathways, is a peer-led recovery center which has relationships with residential treatment facilities across the state. Twenty-eight days within a facility is a great beginning towards recovery, but it simply is not enough time to build a solid recovery foundation. The Center recognizes the importance of individuals moving into sober living homes, after initial treatment, as a crucial part of their recovery.

These funds will be used to support recovery housing needs for individuals who complete addiction treatments programs and seek to attain supportive housing here in the state. Partnering with after care coordinators, Safe Harbor will conduct interviews with individuals and connect them with sober housing, thus providing assurance to individuals that they have a safe living environment amongst their peers while seeking employment and continuing the recovery process.

His Excellency, Governor Christopher T. Sununu
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October 1, 2018
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In the event Other Funds no longer become available, additional General Funds will not be requested to support this program.

Respectfully submitted,



Frank Edelblut
Commissioner of Education


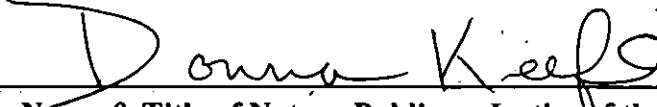
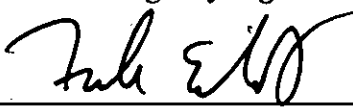
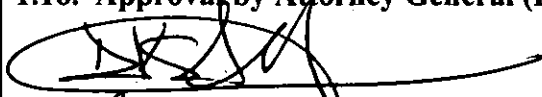
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GRANT AGREEMENT

The State of New Hampshire and the Grantee hereby mutually agree as follows:

GENERAL PROVISIONS

1. Identification and Definitions.

1.1. State Agency Name NH Department of Education		1.2. State Agency Address 101 Pleasant Street, Concord, NH 03301	
1.3. Grantee Name Granite Pathways		1.4. Grantee Address 10 Ferry Street, Ste 308, Concord, NH 03301	
1.5. Grantee Phone # 603-225-9540	1.6. Account Number 562010-19660000-102-500731	1.7. Completion Date June 30, 2019	1.8. Grant Limitation \$50,000.00
1.9. Grant Officer for State Agency Kelly Untiet, Bureau of Student Wellness		1.10. State Agency Telephone Number 603-271-2295	
1.11. Grantee Signature 		1.12. Name & Title of Grantee Signor Kenneth Brezenoff General Counsel	
1.13. Acknowledgment: State of New Hampshire, County of Hillsborough, on 10/12/18, before the undersigned officer, personally appeared the person identified in block 1.12., known to me (or satisfactorily proven) to be the person whose name is signed in block 1.11., and acknowledged that <u>he</u> executed this document in the capacity indicated in block 1.12.			
1.13.1. Signature of Notary Public or Justice of the Peace (Seal) 			
DONNA KEEFE Notary Public - New Hampshire My Commission Expires September 7, 2021			
1.13.2. Name & Title of Notary Public or Justice of the Peace Donna Keefe Granite Pathways - Director of New			
1.14. State Agency Signature(s) 		1.15. Name & Title of State Agency Signor(s) Frank Ebel, Commissioner	
1.16. Approval by Attorney General (Form, Substance and Execution) (if applicable)  By: <u>LEONARDO K. SALA</u> Assistant Attorney General, On: <u>10/16/2018</u>			
1.17. Approval by Governor and Council (if applicable) By: _____ On: <u> / /</u>			

2. SCOPE OF WORK: In exchange for grant funds provided by the state of New Hampshire, acting through the agency identified in block 1.1 (hereinafter referred to as "the State"), the Grantee identified in block 1.3 (hereinafter referred to as "the Grantee"), shall perform that work identified and more particularly described in the scope of work attached hereto as EXHIBIT A (the scope of work being hereinafter referred to as "the Project").

3. **AREA COVERED.** Except as otherwise specifically provided for herein, the Grantee shall perform the Project in, and with respect to, the State of New Hampshire.
4. **EFFECTIVE DATE: COMPLETION OF PROJECT.**
 - 4.1. This Agreement, and all obligations of the parties hereunder, shall become effective on the date of approval of this Agreement by the Governor and Council of the State of New Hampshire, if applicable, or signature by the agency whichever is later (hereinafter referred to as "the effective date").
 - 4.2. Except as otherwise specifically provided herein, the Project, including all reports required by this Agreement, shall be completed in ITS entirety prior to the date in block 1.6 (hereinafter referred to as "the Completion Date").
5. **GRANT AMOUNT: LIMITATION ON AMOUNT: VOUCHERS: PAYMENT.**
 - 5.1. The Grant Amount is identified and more particularly described in EXHIBIT B, attached hereto.
 - 5.2. The manner of, and schedule of payment shall be as set forth in EXHIBIT B.
 - 5.3. In accordance with the provisions set forth in EXHIBIT B, and in consideration of the satisfactory performance of the Project, as determined by the State, and as limited by subparagraph 5.5 of these general provisions, the State shall pay the Grantee the Grant Amount. The State shall withhold from the amount otherwise payable to the Grantee under this subparagraph 5.3 those sums required, or permitted, to be withheld pursuant to N.H. RSA 80:7 through 7-c.
 - 5.4. The payment by the State of the Grant amount shall be the only, and the complete payment to the Grantee for all expenses, of whatever nature, incurred by the Grantee in the performance hereof, and shall be the only, and the complete, compensation to the Grantee for the Project. The State shall have no liabilities to the Grantee other than the Grant Amount.
 - 5.5. Notwithstanding anything in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made, hereunder exceed the Grant limitation set forth in block 1.8 of these general provisions.
6. **COMPLIANCE BY GRANTEE WITH LAWS AND REGULATIONS.** In connection with the performance of the Project, the Grantee shall comply with all statutes, laws regulations, and orders of federal, state, county, or municipal authorities which shall impose any obligations or duty upon the Grantee, including the acquisition of any and all necessary permits.
7. **RECORDS and ACCOUNTS.**
 - 7.1. Between the Effective Date and the date seven (7) years after the Completion Date the Grantee shall keep detailed accounts of all expenses incurred in connection with the Project, including, but not limited to, costs of administration, transportation, insurance, telephone calls, and clerical materials and services. Such accounts shall be supported by receipts, invoices, bills and other similar documents.
 - 7.2. Between the Effective Date and the date seven (7) years after the Completion Date, at any time during the Grantee's normal business hours, and as often as the State shall demand, the Grantee shall make available to the State all records pertaining to matters covered by this Agreement. The Grantee shall permit the State to audit, examine, and reproduce such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, data (as that term is hereinafter defined), and other information relating to all matters covered by this Agreement. As used in this paragraph, "Grantee" includes all persons, natural or fictional, affiliated with, controlled by, or under common ownership with, the entity identified as the Grantee in block 1.3 of these general provisions.
8. **PERSONNEL.**
 - 8.1. The Grantee shall, at its own expense, provide all personnel necessary to perform the Project. The Grantee warrants that all personnel engaged in the Project shall be qualified to perform such Project, and shall be properly licensed and authorized to perform such Project under all applicable laws.
 - 8.2. The Grantee shall not hire, and it shall not permit any subcontractor, subgrantee, or other person, firm or corporation with whom it is engaged in a combined effort to perform the Project, to hire any person who has a contractual relationship with the State, or who is a State officer or employee, elected or appointed.
 - 8.3. The Grant Officer shall be the representative of the State hereunder. In the event of any dispute hereunder, the interpretation of this Agreement by the Grant Officer, and his/her decision on any dispute, shall be final.
9. **DATA: RETENTION OF DATA: ACCESS.**
 - 9.1. As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, paper, and documents, all whether finished or unfinished.
- 9.2. Between the Effective Date and the Completion Date the Grantee shall grant to the State, or any person designated by it, unrestricted access to all data for examination, duplication, publication, translation, sale, disposal, or for any other purpose whatsoever.
- 9.3. No data shall be subject to copyright in the United States or any other country by anyone other than the State.
- 9.4. On and after the Effective Date all data, and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason, whichever shall first occur.
- 9.5. The State, and anyone it shall designate, shall have unrestricted authority to publish, disclose, distribute and otherwise use, in whole or in part, all data.
10. **CONDITIONAL NATURE OR AGREEMENT.** Notwithstanding anything in this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability or continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available or appropriated funds. In the event of a reduction or termination of those funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Grantee notice of such termination.
11. **EVENT OF DEFAULT: REMEDIES.**
 - 11.1. Any one or more of the following acts or omissions of the Grantee shall constitute an event of default hereunder (hereinafter referred to as "Events of Default"):
 - 11.1.1 Failure to perform the Project satisfactorily or on schedule; or
 - 11.1.2 Failure to submit any report required hereunder; or
 - 11.1.3 Failure to maintain, or permit access to, the records required hereunder; or
 - 11.1.4 Failure to perform any of the other covenants and conditions of this Agreement.
 - 11.2. Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:
 - 11.2.1 Give the Grantee a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Grantee notice of termination; and
 - 11.2.2 Give the Grantee a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the Grant Amount which would otherwise accrue to the grantee during the period from the date of such notice until such time as the State determines that the Grantee has cured the Event of Default shall never be paid to the Grantee; and
 - 11.2.3 Set off against any other obligation the State may owe to the Grantee any damages the State suffers by reason of any Event of Default; and
 - 11.2.4 Treat the agreement as breached and pursue any of its remedies at law or in equity, or both.
12. **TERMINATION.**
 - 12.1. In the event of any early termination of this Agreement for any reason other than the completion of the Project, the Grantee shall deliver to the Grant Officer, not later than fifteen (15) days after the date of termination, a report (hereinafter referred to as the "Termination Report") describing in detail all Project Work performed, and the Grant Amount earned, to and including the date of termination.
 - 12.2. In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a Termination Report by the State shall entitle the Grantee to receive that portion of the Grant amount earned to and including the date of termination.
 - 12.3. In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a Termination Report by the State shall in no event relieve the Grantee from any and all liability for damages sustained or incurred by the State as a result of the Grantee's breach of its obligations hereunder.
 - 12.4. Notwithstanding anything in this Agreement to the contrary, either the State or, except where notice default has been given to the Grantee hereunder, the Grantee, may terminate this Agreement without cause upon thirty (30) days written notice.
13. **CONFLICT OF INTEREST.** No officer, member of employee of the Grantee, and no representative, officer or employee of the State of New Hampshire or of the governing body of the locality or localities in which the Project is to be performed, who exercises any functions or responsibilities in the review or

Grantee Initials KB
Date 10-12-18

- approval of the undertaking or carrying out of such Project, shall participate in any decision relating to this Agreement which affects his or her personal interest or the interest of any corporation, partnership, or association in which he or she is directly or indirectly interested, nor shall he or she have any personal or pecuniary interest, direct or indirect, in this Agreement or the proceeds thereof.
14. **GRANTEE'S RELATION TO THE STATE.** In the performance of this Agreement the Grantee, its employees, and any subcontractor or subgrantee of the Grantee are in all respects independent contractors, and are neither agents nor employees of the State. Neither the Grantee nor any of its officers, employees, agents, members, subcontractors or subgrantees, shall have authority to bind the State nor are they entitled to any of the benefits, workmen's compensation or emoluments provided by the State to its employees.
 15. **ASSIGNMENT AND SUBCONTRACTS.** The Grantee shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the State. None of the Project Work shall be subcontracted or subgranted by the Grantee other than as set forth in Exhibit A without the prior written consent of the State.
 16. **INDEMNIFICATION.** The Grantee shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based on, resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Grantee or Subcontractor, or subgrantee or other agent of the Grantee. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant shall survive the termination of this agreement.
 17. **INSURANCE AND BOND.**
 - 17.1 The Grantee shall, at its own expense, obtain and maintain in force, or shall require any subcontractor, subgrantee or assignee performing Project work to obtain and maintain in force, both for the benefit of the State, the following insurance:
 - 17.1.1 Statutory workmen's compensation and employees liability insurance for all employees engaged in the performance of the Project, and
 - 17.1.2 Comprehensive public liability insurance against all claims of bodily injuries, death or property damage, in amounts not less than \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury or death any one incident, and \$500,000 for property damage in any one incident; and
 - 17.2. The policies described in subparagraph 18.1 of this paragraph shall be the standard form employed in the State of New Hampshire, issued by underwriters acceptable to the State, and authorized to do business in the State of New Hampshire. Each policy shall contain a clause prohibiting cancellation or modification of the policy earlier than ten (10) days after written notice thereof has been received by the State.
 18. **WAIVER OF BREACH.** No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event, or any subsequent Event. No express waiver of any Event of Default shall be deemed a waiver of any provisions hereof. No such failure of waiver shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other default on the part of the Grantee.
 19. **NOTICE.** Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses first above given.
 20. **AMENDMENT.** This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Council of the State of New Hampshire.
 21. **CONSTRUCTION OF AGREEMENT AND TERMS.** This Agreement shall be construed in accordance with the law of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assignees. The captions and contents of the "subject" blank are used only as a matter of convenience, and are not to be considered a part of this Agreement or to be used in determining the intent of the parties hereto.
 22. **THIRD PARTIES.** The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.
 23. **ENTIRE AGREEMENT.** This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings relating hereto.
 24. **SPECIAL PROVISIONS.** The additional provisions set forth in Exhibit C hereto are incorporated as part of this agreement.

EXHIBIT A
SCOPE OF SERVICES

Granite Pathways, Safe Harbor Recovery Center will provide the following services to the New Hampshire Department of Education effective upon Governor and Council approval through June 30, 2019:

- connect with person in recovery prior to discharge from a 28 day program
- assess the needs of the person in recovery to determine a suitable housing location. Items for consideration include: individual ties to the area, transportation, cultural considerations, etc.
- maintain relationships with all relevant sober living providers to ensure knowledge and accessibility
- maintain relationships with residential treatment facilities across the state and related aftercare coordinators in an effort to collaboratively place individuals in sober living facilities
- secure housing within a quality sober living facility

BUDGET

Task	Cost
Sober Housing Scholarship	\$43,500.00
Salary/Wages	\$6,330.00
Postage	\$170.00
Total	\$50,000.00

Limitation on Price: In no case shall the total budget exceed the price limitation of \$50,000.00.

Funding Source: Funding is 100% Other Funds from the account titled Positive Student Outcomes Fund as follows:

06-56-56-562010-19660000-102-500731 Contracts for Program Services **FY 19** \$50,000.00

Method of Payment: Upon Governor and Council approval, payment will be made upon the submittal of an invoice from Granite Pathways, Safe Harbor Recovery Center. The Department also requests monthly reports summarizing activities that have taken place in accordance with the terms of the grant agreement. Please submit the invoice and monthly reports to:

Kelly Untiet
Bureau of Student Wellness
NH Department of Education
101 Pleasant Street
Concord, NH 03301

Exhibit C

None

The Fedcap Group, Inc.

Resolutions for Signature Authority

BACKGROUND: The Board of Directors of the Corporation (the "Board") desires to authorize certain individuals to have signatory authority to draw funds of the Corporation pursuant to Section 3.1 of the Bylaws of the Corporation (the "Bylaws") and to authorize certain individuals to take other actions related to the prudent operation of the Corporation pursuant to Section 3.1 of the Bylaws.

RESOLVED, that the Board does hereby authorize the following individuals to act as authorized representatives and officers for the Corporation and be signatories for the Corporation and its subsidiaries and affiliates: Christine McMahon, President & Chief Executive Officer; Karen Wegmann, Chief Financial Officer; and Kenneth Brezenoff, General Counsel; and further authorizes the designation of authorized representatives in accordance with corporate policy.

RESOLVED, that the Board of the Corporation hereby authorizes Christine McMahon, President & Chief Executive Officer; Karen Wegmann, Chief Financial Officer; Kenneth Brezenoff, General Counsel; and Carol Khoury, Controller of the Corporation; or any one of them acting alone, to open, close and amend bank accounts and investment accounts with banks and financial institutions or securities firms and to execute all documents related to such accounts; and, further, to allow such persons to sign documents related to borrowings and financial transactions which have been approved in general form or specifically by the Board of Directors. The Board further authorizes the Secretary or the Chairperson of the Corporation to sign certifications or resolutions required by banks, contract funders, financial institutions or securities firms where such certifications or resolutions are materially equivalent to the authorities or transactions previously granted or authorized by the Board.

RESOLVED, that the Board of the Corporation hereby authorizes Christine McMahon, President & Chief Executive Officer; Karen Wegmann, Chief Financial Officer; Kenneth Brezenoff, General Counsel; and Carol Khoury, Controller of the Corporation; or any of them acting alone, to sign checks for Fedcap Rehabilitation Services, Inc. and its subsidiaries, with checks in the amount of Ten Thousand Dollars (\$10,000) or more, or the equivalent thereto, requiring two signatures.

RESOLVED, that the Board of the Corporation hereby authorizes Christine McMahon, President & Chief Executive Officer; Karen Wegmann, Chief Financial Officer; and Kenneth Brezenoff, General Counsel of the Corporation; or any one of them acting alone, to execute contracts, leases and documents, certifications related to submissions of the Corporation or its subsidiaries which have been approved in accordance with the policies of the Corporation or its subsidiaries.

RESOLVED, that the Board of the Corporation hereby authorizes any two of Christine McMahon, President & Chief Executive Officer; Karen Wegmann, Chief Financial Officer; and Kenneth Brezenoff, General Counsel of the Corporation; to approve and implement changes to any of the 403 or 401(k) Plans or other such employee benefit plans of the Corporation or any of its subsidiaries (excluding any change to the 457(b) and (f) Plan which impacts the President & Chief Executive Officer) and to execute any and all documents necessary to effectuate such changes.

CERTIFICATE OF VOTE

(Corporation without a Seal)

I, William Rider, do hereby certify that:
(Chairman)

- (1) I am the duly elected Chair of Granite Pathways, Inc.
(Corporation Name)
- (2) The following are true copies of the Authorities resolutions duly adopted at a meeting of the Board of Directors of the Fedcap Group, the sole member of the Corporation duly held on July 24, 2018.
(Date)

RESOLVED: That Kenneth Brezenoff, the General Counsel
(Name of Contract Signatory) (Title of Contract Signatory)
is hereby authorized on behalf of this Agency to enter into the said contract with the State and to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, as he/she may deem necessary, desirable or appropriate and that this Corporation may enter into a contract with the State of New Hampshire, acting through its Department of Education..

- (3) The foregoing resolution(s) have not been amended or revoked, and remain in full force and effect as of the
12th day of October, 2018.
(Day) (Month) (Yr) (Must be same date as the contract date)
- (4) Kenneth Brezenoff is the duly elected General Counsel of the corporation.
(Name of Contract Signatory) (Title of Contract Signatory)

IN WITNESS WHEREOF, I have hereunto set my hand as the Business Representative of the Corporation this
12th day of October, 2018.
(Day) (Month) (Yr) (Must be same date as the contract date)

W. Rider
(Signature of Chair of Corporation)

STATE OF NEW HAMPSHIRE

COUNTY OF Hillsborough

On 10-12, 2018, the foregoing instrument was acknowledged before me.

In witness whereof I hereunto set my hand and official seal.

Donna Keefe
Notary Public/Justice of the Peace

My commission expires on:

DONNA KEEFE
Notary Public - New Hampshire
My Commission Expires September 7, 2021

State of New Hampshire
Department of State

(CERTIFICATE)

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that GRANITE PATHWAYS is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on May 08, 2009. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 613581

Certificate Number: 0004073785



IN TESTIMONY WHEREOF,

I have set my hand and cause to be affixed

to the Seal of the State of New Hampshire,

this 3rd day of April A.D. 2018.

A handwritten signature in cursive script, appearing to read "Wm Gardner".

William M. Gardner

Secretary of State

The Fedcap Group, Inc.

Resolutions for Signature Authority

BACKGROUND: The Board of Directors of the Corporation (the "Board") desires to authorize certain individuals to have signatory authority to draw funds of the Corporation pursuant to Section 3.1 of the Bylaws of the Corporation (the "Bylaws") and to authorize certain individuals to take other actions related to the prudent operation of the Corporation pursuant to Section 3.1 of the Bylaws.

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RESOLVED, that the Board of the Corporation hereby authorizes Christine McMahon, President & Chief Executive Officer; Karen Wegmann, Chief Financial Officer; Kenneth Brezenoff, General Counsel; and Carol Khoury, Controller of the Corporation; or any of them acting alone, to sign checks for Fedcap Rehabilitation Services, Inc. and its subsidiaries, with checks in the amount of Ten Thousand Dollars (\$10,000) or more, or the equivalent thereto, requiring two signatures.

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RESOLVED, that the Board of the Corporation hereby authorizes any two of Christine McMahon, President & Chief Executive Officer; Karen Wegmann, Chief Financial Officer; and Kenneth Brezenoff, General Counsel of the Corporation; to approve and implement changes to any of the 403 or 401(k) Plans or other such employee benefit plans of the Corporation or any of its subsidiaries (excluding any change to the 457(b) and (f) Plan which impacts the President & Chief Executive Officer) and to execute any and all documents necessary to effectuate such changes.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
9/27/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer any rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
USI Insurance Services LLC
 333 Westchester Ave, Suite 102
 White Plains, NY 10604
 914 459-6200

CONTACT NAME: Khalil Elaoui
PHONE (A/C, No, Ext): 914 459-6200 **FAX (A/C, No):** 610 537-4220
E-MAIL ADDRESS: khalil.elaoui@usi.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Berkshire Hathaway Specialty Ins Co.	22276
INSURER B : National Liability & Fire Insurance Co.	20052
INSURER C : Technology Insurance Company, Inc.	42376
INSURER D :	
INSURER E :	
INSURER F :	

INSURED Granite Pathways, Inc. **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:				09/30/2018	09/30/2019	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$20,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$3,000,000 PRODUCTS - COMPROP AGG \$3,000,000 \$
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY				09/30/2018 09/30/2018	09/30/2019 09/30/2019	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$10,000				09/30/2018 09/30/2018	09/30/2019 09/30/2019	EACH OCCURRENCE \$25,000,000 AGGREGATE \$25,000,000 \$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below				12/08/2017	12/08/2018	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
A	Professional Liab				09/30/2018	09/30/2019	\$3M Agg / \$1M Occ

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
NH Department of Education is included as additional insured as requested by written contract.

CERTIFICATE HOLDER

NH Department of Education
 101 Pleasant Street
 Concord, NH 03301

CANCELLATION

 SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
Willie Scott

DONNA KEEFE

EDUCATION || Trinity High School, Manchester, NH
Springfield College – BS Human Services/Administration
Recovery Coach Academy & Training of Trainers – certified

EXPERIENCE || 12/1/2015 – Present

DIRECTOR OF NEW INITIATIVES – GRANITE PATHWAYS NH

Granite Pathways is a subsidiary of Fedcap. As the Director of New Initiatives, I manage the local day to day infrastructure and work with referring agencies to identify, develop and maintain relationships pertaining to billing, community relations and development. I was also instrumental with the startup program development and implementation of 5 programs in NH, other duties include: staff supervision, communication management with our corporate office and BOD communications.

9/2013 – 12/1/2015

NE DIRECTOR OF ADMISSIONS & CLIENT SERVICES FEDCAP REHABILITATION SERVICES

As the NE Director of Admissions & Client Services, I supervised the admissions process throughout the Fedcap NE regions working with all the referring agencies to identify, develop and maintain relationships pertaining to billing & client services. In this role, I worked in RI to systematically manage the federally mandated Interim Settlement Agreement that shut down segregated workshops for the DD population. The Fedcap team in RI developed programs and systems to train the IDD population to be gainfully employed in the community. This effort is nationally recognized as Fedcap continues to educate other national agencies via our RI, National Center Institute for System Improvement seminars available on the Fedcap website.

1995 – 2013

DIRECTOR OF ADMISSIONS EASTER SEALS NH, ME, NY, VT

As Director of Admissions for the Adolescent Residential/Educational Psychiatric & Neurobehavioral Programs I was responsible for the admissions and transitions process within the continuum of care programs as well as the final discharges from Easter Seals. I managed referrals from various states and agencies where I applied knowledge of differing state and agency placement requirements/laws. In addition to working with families I managed the monthly billing, file retention, census/wait list for 6 satellite intensive residential group homes and over 75 foster homes. I implemented many systems to manage the complex admission/discharge process.

1992 – 1995

City of Manchester NH School Department

Served as a liaison between team members – parents, teachers, administrators and students. I was responsible to implement behavior plans/procedures to transition special education students back into the traditional classroom from an alternative/self-contained classroom. I also worked closely and supported low income families through the IEP process at the inner-city schools.

1988-1992

SERESC – BIRCHWOOD HIGH SCHOOL

Aided in developing class curriculums in this alternative setting for the Seriously Emotionally Disturbed students. Taught classes under supervision of teacher, organized field trips and participated in all goal-oriented programs working 1:1 with the students if needed.

|| AWARDS/RECOGNITIONS/Trainings

1997 – Easter Seals President's Meritorious Award - for outstanding service by an employee

2000 – Easter Seals NH, VT, NY, Employee of the Year – Chosen from 1,200 employees

2003 – Easter Seals Service First Award – Customer Service Award

2004 – Crisis Intervention and Physical Restraint Training

2005 – State of NH DCYF/DJJS Directors Award – this award is given yearly to one NH individual who goes above and beyond to help the state workers solve their difficult cases

2015 – Mental Health First Aid USA

2016 – CCAR Recovery Coach Academy & Training of Trainers Program

2016 – NAMI NH's Connect Suicide Prevention Training

2016 – Crisis Intervention in the Workplace

2016 – Breaking the Stigma – Language Training

2017 – First Aid/CPR and Narcan Training

||

||

Heather K. Blumenfeld

EXPERIENCE

SAFE HARBOR RECOVERY CENTER Portsmouth, NH

04/2018-Present

Program Manager

- Oversight of Daily Operations at SHRC
- Staff Supervision to ensure member's needs are met
- Working towards CAPRSS accreditation
- Quarterly Data reporting to our fiscal funder & corporate office
- Community Outreach to Seacoast area business and colateral agencies
- Manage large fundraising events for SHRC
- Budget Oversight
- Developed a SHRC Peer Leadership Council
- Member of the Granite Pathways BOD as a representative for SHRC

SAFE HARBOR RECOVERY CENTER Portsmouth, NH

11/2016-4/2018

Family Recovery Support Advocate

- Identifying needs of families in the community and facilitating appropriate programming times
- Network with the community to promote the mission to help spark "Turning the Tide" in substance abuse disorders for the Seacoast area
- Received CRSW May 2017

SAFE HARBOR RECOVERY CENTER Portsmouth, NH

04/2016-11/2016

Volunteer Recovery Coach

- Assist members in accessing resources for recovery journey
- Network with the community to promote the mission to help spark "Turning the Tide" in substance abuse disorders for the Seacoast area

PROFESSIONAL DOMESTIC TRANQUILITY ENGINEER Tennessee, Ohio, Maine

08/99-Present

"Mom"

- Expert at patience, firmness, and a focused passion for developing great people and contributors to school, community, and greater societal environments
- Skills- myriad and ever expanding as we navigate raising 4 diverse personalities ages 7 through 16

FRITZ COMPANY CUSTOMS BROKERAGE Nashville, TN

05/1998 -08/1999

US Customs Liaison- Freight Entry Specialist

- Expert at navigating import/export regulatory environment to facilitate timely client merchandise entry/exit
- Developed strong customer service skills
- Responsible for 4 of 10 largest Fritz client accounts (CR Gibson, Dixon, Chadwick's and Kelwin)

TOWER GROUP INTERNATIONAL CUSTOMS BROKERAGE Chelsea, MA

10/1993 - 04/1998

Team Supervisor 10/95-04/98; Freight Entry Specialist 10/93-10/95

- Increased shipment clearance rate from 82% to 96% in first 4 months
- Responsible for premiere client accounts TJ Maxx, Hewlett Packard, Dell, and Talbots Clothiers
- Excelled at relationship building between Tower Group and US Customs Agents
- Exceeded freight clearance goals every fiscal quarter

KINDERCARE, INC Newburyport, MA

05/1991 - 09/1993

Head Teacher-Toddler Division

- Responsible for 3 toddler rooms with 3 direct reports
- Developed new parent communication guidelines and protocols
- Helped increase enrollment retention by 15%

Training, Knowledge, Skills, and Abilities

- Completed Recovery Coach Academy Class
- Completed Ethical Considerations Class

- Excellent communication skills- written and verbal
- Focus, Passion, and Listening Skills- ability to prioritize, organize, and respond in high pressure situations

EDUCATION

University of New Hampshire, Durham, NH

Completed 2 Years Toward Bachelor of Arts Degree

References Furnished Upon Request

PATRICIA M. REED
NEW HAMPSHIRE STATE DIRECTOR

QUALIFICATIONS

Demonstrated executive with more than 30 years' experience serving individuals with disabilities in children and youth services, addiction services, and residential treatment programs

EXPERIENCE

2018 New Hampshire State Director, Fedcap Rehabilitation Services, Inc., Manchester, NH

- Responsible for overall program management, program expansion and development, fiscal integrity, quality compliance and external relationships in New Hampshire for Granite Pathways, Inc.

2017 to 2018 Consultant

- Provide system analysis and consultation for a variety of entities providing services to individuals with intellectual and other developmental disabilities and behavioral health needs
- Led three NH regional agencies serving this population to plan for youth with challenging behaviors to receive adult services to meet their needs in a community based context

2015 to 2017 Vice President and Chief Operating Officer, Lakeview Management, Inc., Austin TX

- Responsible to provide program and operations consultation and support to Lakeview Specialty Hospital and Rehabilitation Center in Waterford, WI
- Directed to develop relationships with funders and providers in other states to pursue program development to most effectively utilize Lakeview's resources
- Represented the company in all matters for New England, New Jersey and Pennsylvania

2015 Executive Director, Lakeview Neurorehabilitation Center, Inc., Effingham, NH

- Responsible to provide program and operations consultation and support to Lakeview Specialty Hospital and Rehabilitation Center in Waterford, WI
- Directed to develop relationships with funders and providers in other states to pursue program development to most effectively utilize Lakeview's resources
- Represented the company in all matters for New England, New Jersey and Pennsylvania

2014 to 2015 Children's Director, NH Bureau of Behavioral Health, Concord, NH

- Responsible to provide leadership in planning and development of the state children's behavioral health system, act as liaison between CMHC Children's programs and the state office for program and client specific information exchange and problem solving
- Provided support to implement statewide initiatives
- Represented the Department of Health and Human Service on the Children's Behavioral Health Collaborative Executive Committee, Steering Committee and various workgroups
- Coordinated the Safe Schools/Health Students grant with the Department of Education

2001 to 2004 Project Director, Health Profession Opportunity Project, NH Office of Minority Health and Refugee Affairs, Concord, NH

- Directed and implemented a five-year, \$12 million-dollar healthcare workforce development grant to recruit, train and place low-income individuals in healthcare jobs
- Developed RFP's, negotiated and managed contracts, and monitored grant and contractor budgets
- Worked closely with regional health care providers to understand their workforce needs; partnered with educational programs and other community groups to ensure that the individuals are well-prepared to meet employer expectations for technical and soft skills
- Provided leadership and direction to develop innovative strategies to overcome system based barriers to education, training and self-sufficiency for NH citizens
- Collaborated with other NH workforce programs to efficiently use available resources to achieve shared employment goals

2002 to 2010 Senior Director of Clinical Services, Easter Seals of NH, Manchester, NH

- Provided leadership and oversight for the design, organization and delivery of clinical services for Easter Seals NH, including the development of Autism Services, an adolescent program for dual disorder treatment, residential DBT program and management of a residential treatment program for adults with substance abuse issues
- Provided oversight for the DCYF/Administrative Case Review contract
- Developed and monitored budgets for programs
- Worked collaboratively with Easter Seals Development to write federal, state, and foundation grants, progress reports and budget monitoring
- Developed relationships with funders and providers in NH and other states to pursue program development and effective treatment and services for individuals and families

EDUCATION

- Boston College, Chestnut Hill, MA: Graduate School of Arts and Science Department of Sociology, (Four Year Doctoral Work)
- B.A. Notre Dame College, Manchester, NH Major - Behavioral Science/ Minor - English Summa Cum Laude, Dean's List

RESEARCH EXPERIENCE

Contracted to assist staff and clients on three community based residential facilities in the development of client self-government programs through participant observation and didactics. Responsible for both training and evaluation. Sites included Seacoast Mental Health Center - Portsmouth, NH and Greater Manchester Mental Health Center - Manchester, NH. Responsible for leading the research design, data collection and reporting for the evaluation of a partial Hospital Program. The primary methodology was intensive interviewing.

KAREN VAUGHAN



Project Manager/Writer/Trainer

Training / Education / Video

Creative team leader committed to delivering projects within the defined scope, on time, and on budget. Managed multiple projects with creative teams using concise, and effective communications.

TECHNICAL SKILLS

Adobe Creative Cloud – Premier Elements
Video Editing - Final Cut Pro Video Editing –
Photoshop - Microsoft Office Products -MS
Project – Microsoft Visio - Sage Accounting -
Captivate – Lectora - Camtasia – Movie Magic
Budget/Scheduling – Final Draft Script Writing

EDUCATION/TRAINING

University of Portland, Portland, OR
BA - Psychology/ Communication/ Marketing
Boston University, Boston, MA
MS Communication Coursework
PMP-Project Management Professional
Project Management Institute, Newton, PA
PMI-ACP Agile PM Coursework
PMI NH Chapter
Final Cut Pro Video Editing
Skillset, London, UK
Recovery Coach Academy
NHADACA Concord NH
Teaching English as a Second Language
ILS, Toronto, Canada

PROFESSIONAL ORGANIZATIONS

Project Management Institute
New Hampshire Chapter

EXPERIENCE

PROJECT MANAGER

GRANITE PATHWAYS CONCORD, NH

Project Management for state wide Mental Health and Substance Use Disorder Agency. Responsible for Budgeting of new and existing programs, State contract liaison, oversee billing development of program policy requirements. Assist with start-up program development and implementation.

Supervision of new staff and communication management with local and corporate staff. Coordinates BOD meetings.

PROJECT MANAGER / TRAINER FREELANCE – MANCHESTER, NH PROJECTS

MANCHESTER SCHOOL DISTRICT – SUBSTITUTE TEACHER

Manchester, NH 2017-Present
Substitute Teacher at the Manchester High Schools.

B WELL WITH BETH FINNIGAN - PROJECT MANAGER

Manchester, NH 2017-Present
Certified Holistic Health Coach Practitioner. Project management for launch of an educational health program. Responsibilities include scheduling, training video production and training materials editing.

MA DOC TRAINING ACADEMY - P.M. INSTRUCTIONAL DESIGN

MILFORD, MA 2015-2017
Instructional Design for an educational program to comply with the new PREA law for the Department of Justice. The project included developing blended curriculum for adult learners and organizing a national curriculum launch event. Responsible for Instructional design, classroom training materials, video production, eLearning and testing.

CONSULTANT PROJECT MANAGER POWERHOUSE CONSULTING, BEDFORD, NH

2012-2014

Project Management for contact center training projects. Performed program analytics, elicited program requirements, analyzed KPIs and assisted with curriculum development. Projects include MedStar Health Assessment and NYU Langone Medical Center. Developed training materials for on-boarding and re-training adult learners. Communicated project updates and reports to key stakeholders.

PROGRAM MANAGER / WRITER ROW PRODUCTIONS, LONDON ENGLAND

2000-2012

Independent Production Company specializing in video and training, production. Responsible for program development, business cases, complex budgets and schedules, managing creative teams and analysis for key stakeholders. Produced creative projects, delivering finished projects that met the project scope, on time and on budget including: curriculum development and teaching project management, script and copywriting courses and Film Education Workshops curriculum for teachers.



BOARD OF DIRECTORS

William Rider, Interim Chairman
12 Blevens Drive
Concord, NH 03301

Lynne Westaway, Treasurer
6 Surrey Lane
Merrimack, NH 03054

Deborah Jameson
44 Lindsay Road
Hooksett, NH 03106

Courtney Gray-Tanner
39 Shaw Drive
Bedford, NH 03110

Nick Brattan
C/O NE Documents Systems
750 East Industrial Drive
Manchester, NH 03109

Mark Lore
90 Walnut Hill Avenue
Manchester, NH 03104

*Jacqueline Ellis, Board Chair of Seacoast Pathways
PO Box 133
Kittery Point, Maine 03905*

*Heather Blumenfeld, SHRC Peer Leadership Council
865 Islington Street
Portsmouth, NH 03801*

**Consolidated Financial Statements Together with
Report of Independent Certified Public Accountants**

FEDCAP REHABILITATION SERVICES, INC. AND SUBSIDIARIES

September 30, 2017 and 2016



Grant Thornton LLP
757 Third Avenue, 8th Floor
New York, NY 10017
T: 212.596.0100
F: 212.370.4520
[Grant Thornton.com](http://www.grantthornton.com)
info@GrantThorntonUS.com

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of
FEDCAP Rehabilitation Services, Inc.:

We have audited the accompanying consolidated financial statements of FEDCAP Rehabilitation Services, Inc. and Subsidiaries (collectively, "FEDCAP"), which comprise the consolidated statements of financial position as of September 30, 2017 and 2016, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to FEDCAP's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of FEDCAP's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

FEDCAP REHABILITATION SERVICES, INC. AND SUBSIDIARIES
Consolidated Statements of Financial Position
As of September 30, 2017 and 2016

ASSETS	2017	2016
CURRENT ASSETS		
Cash and cash equivalents	\$ 114,353,025	\$ 110,969,236
Accounts receivable (net of allowance for doubtful accounts of approximately \$(1,476,000) in 2017 and \$(2,080,000) in 2016)	42,224,021	33,441,617
Contributions receivable (net of allowance for uncollectible contributions of approximately \$0 and \$115,000 in 2017 and 2016)	3,085,378	1,041,133
Inventories, net	402,669	414,939
Prepaid expenses and other assets	5,120,104	2,298,491
Total current assets	<u>165,185,197</u>	<u>148,165,416</u>
LONG-TERM ASSETS		
Investments	114,724,135	117,345,073
Fixed assets, net	74,924,787	75,855,170
Art objects	21,750	21,750
Beneficial interest in remainder trust	628,759	575,912
Other assets	1108,000	575,020
Total assets	<u>\$ 115,592,628</u>	<u>\$ 142,538,341</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 32,382,996	\$ 26,530,000
Deferred revenues	5,064,293	11,156,919
Loans and advances from government contracts	11,500,000	--
Current portion of revolving loans	14,653,273	--
Current portion of obligations under capital leases	11,672,075	11,663,775
Current portion of long-term debt	674,420	754,995
Total current liabilities	<u>55,947,057</u>	<u>30,105,689</u>
LONG-TERM LIABILITIES		
Obligations under capital leases	34,867,513	35,008,645
Long-term debt, net of current portion	22,750,756	23,415,325
Long-term revolving loans	3,000,000	16,486,698
Other liabilities	3,407,780	2,191,849
Total liabilities	<u>119,973,106</u>	<u>107,208,206</u>
Commitments and contingencies		
NET ASSETS		
Unrestricted	32,810,556	33,176,435
Temporarily restricted	2,224,538	11,569,272
Permanently restricted	584,428	584,428
Total net assets	<u>35,619,522</u>	<u>35,330,135</u>
Total liabilities and net assets	<u>\$ 115,592,628</u>	<u>\$ 142,538,341</u>

The accompanying notes are an integral part of these consolidated financial statements.

FEDCAP REHABILITATION SERVICES, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the years ended September 30, 2017 and 2016

	2017	2016
(CASH FLOWS) FROM OPERATING ACTIVITIES		
(Change in net assets	\$ 289,387	\$ 398,852
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	4,116,984	3,918,260
Bad debt provision	299,600	11,046,376
Inherent contribution	((1,985,805))	((202,380))
Unrealized gain on investments	((976,558))	((129,415))
(Changes in assets and liabilities:		
Accounts receivable	((8,829,574))	((4,741,245))
Contribution receivable	((594,742))	11,292,092
Inventories	112,270	258,879
Prepaid expenses and other assets	((1,951,224))	((527,750))
Beneficial interest in remainder trust	((52,847))	1152,897
Accounts payable and accrued liabilities	3,181,808	((1,455,478))
Deferred revenue	11,421,674	74,331
Other liabilities	822,186	221,501
Net cash (used in) provided by operating activities	<u>((4,246,841))</u>	<u>306,920</u>
(CASH FLOWS) FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	8,015,797	6,000,000
Purchase of investments	((4,415,301))	((6,283,333))
Cash received in acquisition	4,470,103	110,202
Capital expenditures	((2,228,568))	((2,627,789))
Net cash provided by (used in) investing activities	<u>5,842,031</u>	<u>((2,900,920))</u>
(CASH FLOWS) FROM FINANCING ACTIVITIES		
Increase (decrease) in loan and advance from government contracts	11,500,000	((1,800,000))
Change in revolving loans	11,166,575	4,020,068
Repayment of long-term debt	((745,144))	((738,317))
Repayment of capital lease obligations	((132,832))	((130,071))
Net cash provided by financing activities	<u>11,788,599</u>	<u>11,351,680</u>
Increase (decrease) in cash and cash equivalents	3,383,789	((1,242,320))
(CASH AND CASH EQUIVALENTS		
Beginning of year	110,969,236	112,211,556
End of year	<u>\$ 114,353,025</u>	<u>\$ 110,969,236</u>
Supplemental disclosure of cash flow information:		
Cash interest paid during the year	<u>\$ 11,443,501</u>	<u>\$ 11,079,151</u>

The accompanying notes are an integral part of these consolidated financial statements.